Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

THOMAS LaBELLE and LANCE BENJAMINO, Plaintiffs, vs. JOHN P. McGONAGLE, Defendant	C.A. No. 07-CV-12097

PLAINTIFF'S MEMORANDUM IN SUPPORT OF MOTION TO REMAND

Summary of the case

On October 3, 2007, plaintiffs Thomas LaBelle and Lance Benjamino filed a three count complaint in the Suffolk Superior Court in Boston, Massachusetts, alleging state law claims for negligence (legal malpractice), breach of contract, and violations of the Massachusetts Consumer Protection Act (Chapter 93A) against defendant John P. McGonagle. Defendant was served on October 10, 2007. As set forth in the complaint, the facts underlying the state law claims can be summarized as follows:

Plaintiffs retained attorney McGonagle to conduct a patent search and to prepare, draft and file a patent application on their behalf for a "Retractable Driveway Safety Barrier." Attorney McGonagle prepared and signed a utility patent application dated August 23, 2002 on behalf of LaBelle and Benjamino. Attorney McGonagle represented to plaintiffs that the patent application had been filed and advised them that their application was assigned number 10251113 with a file number 7276.

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Over the course of the next several years, LaBelle and Benjamino contacted Attorney McGonagle to inquire about the status of their patent. On each occasion, they were told that the process takes time and that they would be contacted upon its completion. In February 2005, nearly 3 1/2 years after the initiation of this project, Mr. Benjamino was returning home from a trip when he saw an ad in an airplane magazine for a "retractable driveway safety barrier." After several failed attempts to contact Attorney McGonagle, plaintiff LaBelle took it upon himself to contact the United States Patent and Trademark Office to investigate their application. When LaBelle communicated the application number provided to him by Attorney McGonagle to the patent office, he was informed that it applied to a different device. He requested that a search be conducted using their names, and the patent office reported a negative search.

Upon further investigation of this matter, LaBelle and Benjamino learned that a patent for a removable and retractable pathway visual barrier, a device nearly identical to their retractable driveway safety barrier, had been filed by another party on August 29, 2003 (a year after their's had been allegedly filed by attorney McGonagle). It is clear that Attorney McGonagle negligently failed to file the application on behalf of the plaintiffs, and breached the promise to do so. Attorney McGonagle also engaged in a pattern of concealment, delay, and deception designed to hide the malpractice from the plaintiffs, in violation of the Massachusetts Consumer Protection Act. As a result of defendant McGonagle's conduct, plaintiffs lost the opportunity to obtain all of the rights, benefits and interests conferred by a patent. Accordingly, they have lost the right to sell or otherwise convey the protected interest in their device, including the loss of an exclusive license to use the patent.

On November 6, 2007, defendant removed the case to the United States District Court for the District of Massachusetts, contending that "this is a civil action in which plaintiffs' right to

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of at least one of the well pleaded claims." Plaintiffs have filed a motion to remand the case because the state law claims in this case do not arise under patent law, and therefore, this court does not have jurisdiction. The plaintiffs do not allege patent infringement. They do not challenge a patent's validity or enforceability. They do not seek any relief to correct a patent to have themselves named as inventors. This case is simply a case of legal malpractice, breach of contract, and violations of the Consumer Protection Act that happens to arise out of legal work involving a the failure by an attorney to file a patent application.

This memorandum is submitted in support of the motion to remand the case.

Standard of Review

Federal courts are courts of limited jurisdiction. *See Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377, 114 S. Ct. 1673, 128 L. Ed. 2d 391 (1994). A defendant may remove to federal court a civil action brought in state court if the federal court has original jurisdiction. 28 U.S.C. § 1441(a) ("any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant . . . ."). "The presence or absence of federal question jurisdiction is governed by the well-pleaded complaint rule, which provides that federal jurisdiction exists only when a federal question is presented on the face of the plaintiff's properly pleaded complaint." *Caterpillar, Inc. v. Williams*, 482 U.S. 386, 392, 107 S. Ct. 2425, 96 L. Ed. 2d 318 (1987). The rule makes the plaintiff the master of the claim; he or she may avoid federal jurisdiction by exclusive reliance on state law. *Id.* When state law creates the cause of action, a case may arise under federal law only if the well-pleaded complaint demonstrates that the right to relief "necessarily depends on resolution of a substantial question

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

of federal law." *Franchise Tax Bd. v. Constr. Laborers Vacation Trust*, 463 U.S. 1, 28, 103 S. Ct. 2841, 77 L. Ed. 2d 420 (1983); *see also Merrell Dow Pharms., Inc. v. Thompson*, 478 U.S. 804, 808, 106 S. Ct. 3229, 92 L. Ed. 2d 650 (1986).

The defendant bears the burden of establishing the propriety of removal under 28 U.S.C. § 1441. *See Pullman Co. v. Jenkins*, 305 U.S. 534, 540, 59 S. Ct. 347, 83 L. Ed. 334 (1939); *Abels v. State Farm Fire & Cas. Co.*, 770 F.2d 26, 29 (3d Cir. 1995). Because removal infringes upon state sovereignty and implicates central concepts of federalism, removal statutes must be construed narrowly, with all doubts resolved in favor of remand. *See Allen v. Christianberry*, 327 F. 3d 1290, 1293 (11th Cir. 2003); *Brown v. Francis*, 75 F.3d 860, 864-65 (3d Cir. 1996); *Abels*, 770 F.2d at 29. Lack of subject matter jurisdiction can be raised by a party at any time during the civil action. *See Kontrick v. Ryan*, 540 U.S. 443, 455, 124 S. Ct. 906, 157 L. Ed. 2d 867 (2004); *see also* 28 U.S.C. § 1447(c) ("If at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded.").

The mere fact that a federal statute or regulation may be implicated and even require some interpretation is not sufficient to create federal jurisdiction. *Mannsfield v. Phenolchemie, Inc.*, 466 F. Supp. 2d 1266, 1269 (S.D. Ala. 2006). "The federal courts have exclusive jurisdiction of all cases arising under the patent laws, but not of all questions in which a patent may be the subject matter of the controversy." *New Marshall Engine Co. v. Marshall Engine Co.*, 223U.S. 473, 478, 32 S. Ct. 238, 239 (1912). For federal question jurisdiction under §1338(a), the well-pleaded complaint must establish either that "federal patent law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law in that patent law is a necessary element of one of the well pleaded claims." *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800, 809, 108

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

S.Ct. 2166, 100 L.Ed.2d 811 (1988). Section 1338(a) "does not deprive the state courts of the power to determine questions arising under the patent laws, but only of assuming jurisdiction of 'cases' arising under those laws. There is a clear distinction between a case and a question arising under the patent laws. The former arises when the plaintiff in his opening pleading -- be it a bill, complaint or declaration -- sets up a right under the patent laws as a ground for a recovery. Of such the state courts have no jurisdiction. The latter may appear in the plea or answer or in the testimony. The determination of such question is not beyond the competency of the state tribunals." *Pratt v. Paris Gaslight and Coat Co.*, 168 U.S. 255, 259, 18 S. Ct. 62, 64 (1897).

A claim supported by alternate theories of liability "may not form the basis for section 1338(a) jurisdiction unless patent law is essential to each of those theories." *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800, 809, 108 S. Ct. 2166, 2174 (1988). Defendant must prove that "every theory of a claim as pled must depend on patent law if there is to be federal jurisdiction." *AT&T Corp. v. Integrated Network Corp.*, 972 F. 2d 1321, 1324 (Fed. Cir. 1992). Even if one theory supporting a claim essentially turns on an issue arising under patent law, as long as there is at least one alternative theory supporting the claim that does not rely on patent law, there is no "arising under" jurisdiction under 28 U.S.C. § 1338. *In re Tamoxifen Citrate Antitrust Litigation,* 466 F.3d 187, 199 -200 (2nd Cir. 2006).

Finally, it is well-settled that a case may not be removed to federal court based on federal issues raised by the defendant. *See Caterpillar, Inc., 482 U.S. at 393*; *see also Dukes v. U.S. Healthcare, Inc., 57 F.3d 350, 353-54 (3d Cir. 1995).* It is the complaint alone that is the reference point for determining what claims are presented. *Caterpillar, Inc. v. Williams*, 482 U.S. 386, 392, 96 L. Ed. 2d 318, 107 S. Ct. 2425 (1987). And it is the nature of the action before the court, not the nature of the federal law or program, that establishes the existence or absence

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

of federal jurisdiction. *Commonwealth of Massachusetts v. Phillip Morris, Inc. et als.*, 942 F. Supp. 690, 695 (D.C. Mass. 1996).

Negligence Claim For Legal Malpractice

In Massachusetts, to prevail on a claim of negligence by an attorney, a client must demonstrate that the attorney failed to exercise reasonable care and skill in handling the matter for which the attorney was retained; that the client has incurred a loss; and that the attorney's negligence is the proximate cause of the loss. *Colucci v. Rosen, Goldberg, Slavet, Levenson & Wekstein, P.C.*, 25 Mass. App. Ct. 107, 111 (Mass. App. Ct. 1987). See also, *Glidden v. Terranova*, 12 Mass. App. Ct. 597, 597-598 (1981); *McLellan v. Fuller*, 226 Mass. 374, 377-378 (1917); Nolan, *Tort Law* § 185 (1979). Expert testimony is generally necessary to establish that an attorney failed to meet the standard of care owed in the particular circumstances. *Pongonis v. Saab*, 396 Mass. 1005 (1985). An attorney who violates this duty is liable to his client for any reasonably foreseeable loss caused by his negligence. *Fishman v. Brooks*, 396 Mass. 643, 646 (1986).

In the case at bar, LaBelle and Benjamino do not assert any right under a federal statute. They assert claims against an attorney who negligently failed to file a patent application on their behalf. Their legal malpractice claim is founded on a common law tort deriving its force from state law. The issues involve the state standard of care and are fact bound and situation specific. Accordingly, these claims fail the test for "substantial question" jurisdiction. *Empire Healthchoice Assurance, Inc. v. McVeigh*, 547 U.S. ___, 126 S. Ct. 2121, 165 L. Ed. 2d 131, 2006 U.S. LEXIS 4679 (2006). This case is really "no different from hundreds of state malpractice, negligence and breach of fiduciary duty cases [involving underlying federal law]

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

filed in state court each year." *Acker v. AIG Int'l, Inc.*, 398 F. Supp. 2d 1239, 1243 n.2 (S.D. Fla. 2005). *See also, R.A. Investment I, L.L.C. v. Smith & Frank Group Srvcs.*, 2005 WL 3299710 (E.D. Tex. December 5, 2005) ("Were district courts to exercise jurisdiction each time an issue of federal law was present in a state malpractice, contract, or tort claim, the federal courts would be overburdened with litigation that should properly be decided in State Court."). Finding federal jurisdiction in professional malpractice cases such as this could potentially shift the division of labor between state and federal courts, allowing a large number of state law claims traditionally within the province of state courts to be heard in federal court.

Plaintiffs have identified several cases throughout the federal system where legal malpractice cases involving patents have been remanded to the state courts. In each instance, the courts found that patent issues were merely incidental to the legal malpractice claims. *See Adamasu v. Gifford, Krass, Groh, Sprinkle, Anderson & Citkowski, P.C.*, 409 F. Supp. 2d 788 (E.D. Mich. 2005) (patent issues merely incidental to legal malpractice claim); *IMT, Inc., v. Haynes & Boone*, L.L.P., 199 U.S. Dist. LEXIS 1083 (N.D. Tex. 1999) (patent law does not create malpractice cause of action); *Commonwealth Film Processing, Inc. v. Moss & Rocovich, P.C.*, 778 F. Supp. 283 (W.D. Va. 1991) (legal malpractice claim does not construe patent law, only establishes appropriate standard of care). As the courts observed in these cases, these legal malpractice claims do not require a court to engage in claim construction or to determine if others are infringing the patent. Rather, the focus in these cases was whether the defendant lawyers were negligent by failing to perform as reasonably prudent attorneys. "Simply because the defendants rendered advice on a matter governed by federal law and prosecuted a patent through a federal agency does not constitute an issue that 'arises under any act of Congress relating to patents,' as 28 U.S.C. § 1338 requires." *Adamasu*, 409 F. Supp. 2d at 792.

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

The focus in a legal malpractice case is on defendant's conduct as a patent attorney, not on the validity or enforceability of the patent. *IMT*, 199 U.S. Dist. LEXIS 1083, at 9. The *IMT* court observed that the relief sought was for the stigma on the patent's marketability arising from an improperly filed patent application. "Such relief does not depend on a resolution of patent law, and patent law is not a necessary element of this cause of action." *Id*. The court in the *Commonwealth Film Processing* observed the following:

> The relationship of this suit to patents is happenstance and incidental. The substance of the claim is the alleged tortious conduct of the defendants. The complaint sets up no patent property right which is being infringed, misused, or defeated. . . . patent law is not an essential ingredient of the case nor does the case require any interpretation of the patent laws and there certainly is no suggestion of any paramount national or federal interest in the dispute between these litigants in what is essentially a common-law action sounding in tort.

Commonwealth Film Processing, 778 F. Supp. at 285 (quoting *Voigt v. Kraft*, 342 F. Supp. 821, 822 (1972).

The LaBelle and Benjamino claims are remarkably similar to the allegations raised in *Minatronics Corp. v. Buchanan Ingersoll P.C.*, 1996 Pa. Dist. & Cnty. Dec. LEXIS 376 (1996). In that case, the defendant attorney neglected to file a patent application on behalf of the plaintiffs. They sued in a Pennsylvania state court, and the defendants sought to dismiss the action for lack of subject matter jurisdiction. In denying the motion to dismiss, the *Minatronics* court observed that no patent had been issued to Minatronics and that none would be issued in the future. Accordingly, the Court noted that "any ruling made in this litigation will not have any impact on the federal patent program." *Id*. at 3. The court further observed that the patent questions raised in the legal malpractice litigation were incidental and collateral to claims arising under state law. *Id*. at 6-7. The causes of action for legal malpractice were based solely on

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Pennsylvania law. "A suit arises under the law that creates a cause of action." *Id.* (quoting from *American Well Works Co. v. Layne & Bowler Co.*, 241 U.S. 257, 260, 36 S. Ct. 585, 586 (1916)).

In *Hayes v. Bryan Cave LLP*, 446 F. 3d 712 (7th Cir. 2006), the Seventh Circuit noted that a legal malpractice claim, even though it may grow out of the defense of a federal criminal, does not create a federal question, even where its resolution would require a substantial evaluation of applicable federal law. In that case, the court considered a case for legal malpractice where the plaintiff charged the defendants, a law firm and its lawyers who had represented him in a federal criminal case, with legal malpractice based on Illinois common law. The defendants removed the case asserting that it really arose under federal law because the resolution of a malpractice claim growing out of the defense of a federal criminal case would "require a substantial evaluation of applicable federal law," specifically a determination of the meaning and scope of the federal criminal statutes under which Hayes had been convicted. In remanding the case to the state court, the Seventh Circuit noted that nothing in federal law prevents a disappointed litigant in a federal case from suing his lawyer under state malpractice law. *Id.* at 714. The elements of legal malpractice "are independent of the law under which the suit that the defendant lawyer is alleged to have muffed was brought. Issues concerning the meaning of that law are quite likely to arise in such a malpractice action, but there is nothing unusual about a court having to decide issues that arise under the law of other jurisdictions; otherwise there would be no field called 'conflict of laws' and no rule barring removal of a case from state to federal court on the basis of the federal defense." *Id.* at 714-715.

This view is consistent with rulings in the First Circuit. In *Kleinerman v. Snitzer*, 754 F. Supp. 1 (1990), the court considered the question of whether there were patent law issues in state law claims involving a breach of trust and misappropriation of plaintiff's technology. In that

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

case the defendant had filed a patent application on an idea of the plaintiff's. The court found that the federal court lacked jurisdiction because the plaintiff was not seeking to enjoin a defendant from infringing on his patent, but was seeking damages for various common-law torts. The Court noted that in an action to determine title to certain patents and for patent infringement if "the plaintiff seeks affirmative relief as a basis for his right to relief for infringement, then the action is not one arising under the patent laws. Such an action belongs properly in a state court." *Id*. at 4 (quoting *Laning v. National Ribbon & Carbon Paper Mfg. Co.*, 125 F. 2d 565 (7th Cir. 1942).

In *Commonwealth of Massachusetts v. Phillip Morris, Inc. et als.*, 942 F. Supp. 690, 695 (D.C. Mass. 1996), the court remanded the case involving claims against cigarette manufacturers for medical assistance provided by the Commonwealth of Massachusetts under the Medicaid program. There, the court determined that there was no question of federal law, substantial or otherwise, to be determined in the prosecution of the pleaded claims. *Id*. at 694. The Court noted where liability existed under state law, federal law has nothing to say about its proof, and the action to establish the liability may proceed on entirely non-federal grounds. *Id*. In *Alshrafi v. America Airlines, Inc.*, 321 F. Supp. 2d 150 (D.C. Mass. 2004), the court remanded a case involving racial profiling against an airline and a provision of the Airline Deregulation Act, 49 USC § 44902(b). In that case, the court determined that while the claims may raise federal issues, they were not sufficiently important to confer federal jurisdiction. In *Brawn v. Coleman*, 167 F. Supp. 2d 145 (D.C. Mass. 2001), the Court remanded a case involving state law claims for libel, tortious interference with advantageous business relationships, and intentional infliction of emotional distress, which were removed by the defendants because the activities allegedly involved provisions of the National Labor Relations Act. In *City of Boston v. Smith &*

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Wesson Corp., 66 F. Supp. 2d 246 (1999), the court remanded a case involving the marketing and distribution of firearms. Defendants had argued that plaintiff's claims, while adumbrated as common-law tort claims, were more akin to state regulation of interstate commerce, but the court disagreed.

In *Kleinerman*, the court relied upon the Supreme Court's decision in *Becher v. Contoure Laboratories, Inc.*, 279 U.S. 288 (1929). In that case, Mr. Oppenheimer created a novel machine and employed Mr. Becher as a machinist to construct the invented machine. *Id.* at 390. Mr. Becher and Mr. Oppenheimer had a confidential relationship, whereby Mr. Becher was required to keep secret the information obtained, and not to use it for his benefit. Rather than abide by his duty, however, Mr. Becher, without the knowledge of Mr. Oppenheimer, applied for and received a patent for the machine. Upon learning of the patent, Mr. Oppenheimer sued Mr. Becher in state court for breach of their agreement and violation of their confidential relation. After the entry of a state court judgment in favor of Mr. Oppenheimer, Mr. Becher filed suit in federal court, seeking an injunction to prevent the state court matter from proceeding. He argued that Oppenheimer's state court action arose under the patent laws and thus the state court did not have jurisdiction. *Id*. The United States Supreme Court concluded that the state court action did not arise under the patent laws. It noted:

> Oppenheimer's right was independent of and prior to any arising out of the patent law, and it seems a strange suggestion that the assertion of that right can be removed from the cognizance of the tribunals established to protect it by its opponent going into the patent office for a later title. . . . That decrees validating or invalidating patents belong to the Courts of the United States does not give sacrosanctity to facts that may be conclusive upon the question in issue.

Id. at 391. The *Becher* Court noted that that suit had for its cause of action for breach of contract or wrongful disregard of confidential relations, both matters independent of the patent law. In 1988, the United States Supreme Court in *Christianson v. Colt Industries Operating*

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Corp., 486 U.S. 800, 809, 108 S. Ct. 2166, 2174 (1988) refined the test for "arising under" patent law jurisdiction, and adopted a standard more restrictive of federal court jurisdiction than what had existed at the time of the *Becher* decision. See *Hunter Douglas, Inc. v. Harmonic Design, Inc.*, 153 F. 3d 1318, 1325 (Fed. Cir. 1998), *overruled on other grounds, Midwest Industries, Inc. v. Karavan Trailers, Inc.*, 175 F. 3d 1356 (Fed. Cir. 1999).

Defendant has cited two cases from the Federal Circuit in its notice of removal to support his contention that jurisdiction is appropriate in the federal court. However, that argument fails for several reasons. To begin, unlike the claim of Labelle and Benjamino, the two Federal Circuit cases dealt with patents that had been issued.[1] LaBelle and Benjamino never got their patent because McGonagle neglected to file their application. More particularly, *Air Measurement Technologies, Inc. v. Akin Gump Strauss Hauer & Feld, L.L.P., Branscomb, P.C.*, 504 F.3d 1262 (Fed. Cir. 2007) involved alleged errors by counsel in patent prosecution and patent litigation. The plaintiffs in that case had sued a law firm for negligence in the prosecution of six infringement suits -- actions which were prosecuted in federal court and which dealt with complicated infringement issues. The court in that case, noting the particular circumstances of that case (*Id.*, at 1267), determined that proof of patent infringement was necessary to show that plaintiffs would have prevailed in the prior litigation, and on that basis, the court determined that that was a necessary element of the malpractice claim. *Id.*, at 1269. In the case at bar, there is no patent infringement claim -- no "case within a case" -- and plaintiffs do not make any allegation that anyone has infringed a patent. Instead, plaintiffs' case is based on an attorney's simple neglect in failing to file an application for a patent on their behalf. Defendant McGonagle may

[1] Even the Form AO 120 filed with the Notice of Removal by McGonagle, in compliance with 35 U.S.C. §290 and/or 15 U.S.C. § 1116, contemplates the existence of a patent at issue and in dispute. In this case, defendant filed its form without listing any patent because no patent was issued. That is certainly more evidence that substantial patent law issues are not at stake in this court litigation.

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

raise patent issues in defending his claim, but the law is clear that a claim does not arise under the patent laws if a patent issue appears only in the defense. *Thompson v. Microsoft Corp.*, 471 F. 3d 1288, 1292 (Fed. Cir. 2006).

Immunocept, LLC v. Fulbright & Jaworski, LLP, 504 F.3d 1281 (Fed. Cir. 2007) involved a claim that was filed by the plaintiffs originally in the federal court relying on 28 U.S.C. § 1338(a). In that case, the plaintiffs chose to litigate in the federal court. The plaintiffs there alleged only one cause of action, attorney malpractice, and, unlike LaBelle and Banjamino, did not include any other state law claims. Additionally, both parties to that case agreed that §1338 jurisdiction was proper. Finally, *Immunocept* involved a claim of negligence based on a drafting error in a patent that had been issued. The court determined in that case that the plaintiff could not prevail without addressing claim scope, a complex area that involves many claim construction doctrines. *Id*. In the case of LaBelle and Benjamino, it is a far simpler matter. Defendant McGonagle neglected to file a patent on their behalf and eliminated their rights to commercially exploit their novel idea. They can prove their case for breach of the standard of care and damages by resort to expert testimony. The case does not involve the complexities that arose in either the *Air Management Technologies* or *Immunocept* cases, and therefore, the issues are not substantial enough to warrant federal jurisdiction. The state courts are adequately equipped to handle any conflict of laws questions and are better equipped to handle state standard of care questions. *Christianson v. Colt Indus. Operating Corp.*, 822 F. 2d 1552 n.10 (Fed. Cir. 1987), aff'd 486 U.S. 800, 810, 100 L. Ed. 2d 811, 108 S. Ct. 2166 (1988).

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Breach of contract claim

In Massachusetts, to create an enforceable contract, there must be an agreement between the parties on the material terms of the contract, and the parties must have a present intention to be bound by that agreement. *Situation Management Systems, Inc. v. Malouf, Inc*., 430 Mass. 875 (2000). Here, plaintiffs paid the defendant to prepare and file a patent application on their behalf, and he promised to do so. He breached that promise, and plaintiffs were harmed as a result. At its very essence, this contract claim has its basis in state law and any patent law issue is tangential to the underlying claim.

"Mentioning a federal issue in a contract, or for that matter a complaint, does not determine the source of the claim itself." *City of Chicago v. Comcast Cable Holdings, LLC*, 384 F. 3d 901, 904-05 (7th Cir. 2004). Nothing in 28 U.S.C. § 1338 confers federal jurisdiction over mere private contract disputes . . . . [as federal courts] have consistently held for over 130 years that contract disputes involving patents do not arise 'under any Act of Congress relating to patents . . . . '" *Beghin-Say Int'l v. Ole-Bendt Rasmussen, 733 F.2d 1568, 1571 (Fed. Cir. 1984).* A contract case does not become a federal question simply because a patent is involved. *See Speedco, Inc. v. Estes, 853 F.2d 909, 913 (Fed. Cir. 1988).* An action removed to federal court is properly dismissed for lack of subject matter jurisdiction when the case is essentially a patent-related contract dispute. *See McArdle v. Bornhofft, 980 F. Supp. 68 (D. Me. 1997)* (remanding case involving agreement concerning patent in which causes of action were based in common law); *Kleinerman v. Snitzer, 754 F. Supp. 1 (D. Mass. 1990)* (remanding case in which inventor sought patent infringement damages under common law rather than under federal patent laws); *Jacobson v. Bittner, 694 F. Supp. 507 (N.D. Ill. 1988)*(remanding case in which resolution of claims involving patent did not require application of federal patent law); *Coditron Corp. v. AFA*

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Protective Sys., Inc., 392 F. Supp. 158 (S.D.N.Y. 1975) (concluding that complaint involving patents as subject of general contract law claims failed to provide basis for removal). Likewise, this case must be remanded.

In *Therian v. The Trustees of the University of Pennsylvania*, 206 US DIST LEXIS 746 (E.D. Penn. 2006), the court remanded the case involving counts for breach of contract, breach of fiduciary duty, negligent misrepresentation, and negligence in a case where the plaintiff alleged that the University of Pennsylvania violated its patent policy. Therien alleged that the University failed in its duty to commercialize technology he had developed, including technology that resulted in patents issued to it. The court determined that that allegation did not create a case arising under the patent laws. *Id*. Any discussion of patent law was tangential to Therien's state law claims and the Complaint did not demonstrate a right to relief that depended on resolution of a substantial question of federal law. *Id*.

Under this wholly state law claim, there is no patent law issue or substantial question that confers federal jurisdiction on this court. Furthermore, the contract claim is an additional and alternate theory under which plaintiff can recover. If on the face of a well-pleaded complaint there are reasons completely unrelated to the provisions and purposes of the patent laws why the plaintiff may or may not be entitled to the relief he seeks, then the claim does not "arise under" those laws. *Christianson*, 486 U.S. at 826. A claim supported by alternative theories in the complaint may not form the basis for § 1338(a) jurisdiction unless patent law is essential to each of those theories. *Id.*

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Massachusetts Consumer Protection Act Claim

In order to succeed on a claim of unfair or deceptive acts or practices in violation of General Laws, c. 93A, § 9, the plaintiff must prove the following:

a. the defendant is engaged in trade or commerce;

b. the defendant has committed unfair or deceptive acts or practices; and

c. the plaintiff has been injured as a result of the defendant's unfair or deceptive acts or practices.

The conduct of Attorney McGonagle in this case, including the pattern of concealment, delay, and deception designed to hide the malpractice from the plaintiffs, represents a series of unfair and deceptive acts or practices under state law. This conduct has caused substantial harm to the plaintiffs. This series of unfair and deceptive acts or practices are expressly prohibited by the Massachusetts Consumer Protection Act and are in violation of certain regulations of the Massachusetts Attorney General. Unfair and deceptive business practices are prohibited by the Consumer Protection Act which states:

> Unfair methods of competition and unfair and deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

The Attorney General's Consumer Protection Division has promulgated and codified regulations pursuant to G.L. c. 93A. These regulations are found at 940 CMR 3.16 which states, in pertinent part:

> Without limiting the scope of any other rule, regulation or statute, an act or practice is a violation of G.L. ch. 93A, § 2 if:
>
> l. It is oppressive or otherwise unconscionable in any respect; or,
>
> 2. It fails to comply with existing statutes, rules, regulations or laws, meant for the protection of the public's health, safety or welfare promulgated by the Commonwealth or any subdivision thereof intended to provide the consumers of this Commonwealth with protection;....

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

Under this wholly state law claim, there is no patent law issue or substantial question that confers federal jurisdiction on this court. Furthermore, this Chapter 93A claim is an additional and alternate theory under which plaintiff can recover. Again, if there are reasons completely unrelated to the provisions and purposes of the patent laws why the plaintiff may or may not be entitled to the relief it seeks, then the claim does not "arise under" those laws. *Christianson*, 486 U.S. at 826. A claim supported by alternative theories in the complaint may not form the basis for § 1338(a) jurisdiction unless patent law is essential to each of those theories. *Id.*

CONCLUSION

For the reasons discussed herein, this action has been improperly removed from state court and no jurisdiction exists under 28 U.S.C. § 1338. Accordingly, this action should be remanded to the Massachusetts state court from which it was removed.

Plaintiffs,
By their attorneys,

s/Jeffrey N. Roy

Jeffrey N. Roy (BBO #548618)
RAVECH & ROY, P.C.
One Exeter Plaza
699 Boylston Street
Boston, MA 02116
(617) 303-0500
jroy@ravechroy.com

December 14, 2007

Document hosted at JDSUPRA
http://www.jdsupra.com/post/documentViewer.aspx?fid=f42f849f-9bf6-4cd4-8280-159ade286f51

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed before going with the clerk of the court using the CM/ECF system which will send notification of such filing to the following:

lbromberg@bromsun.com
lfleming@bromsun.com
kseluga@bromsun.com

s/Jeffrey N. Roy
Jeffrey N. Roy